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SUBJECT: CONTRACT AWARD FOR CONSTRUCTION OF INDUSTRIAL SUBSTATION PROJECT  
5200 EAST SARGENT ROAD

**RECOMMENDED ACTION:** That the Council award the bid for construction of the **Industrial Substation** to Kinetic Engineering & Construction, Inc., Loomis, California, in joint venture with Chapek Construction, Sacramento, California as low bidder in the amount of \$1,790,514.

BACKGROUND INFORMATION: Bids on this project were opened November 21, 1989. At that time, the City received three bids ranging from approximately \$1,790,500 to 61,867,900 as shown on the attached sheet (Exhibit A). The engineers' estimate was \$1,950,000.

Due to the unanticipated difficulty in procuring the Industrial Substation site, the City of Lodi does not anticipate that construction can commence prior to early June 1990.

Kinetic/Chapek have executed an agreement to hold their bid price to accommodate a delayed start date. A copy of their signed agreements are attached hereto as Exhibit 8.

Henry J. Rick  
Henry J. Rick  
Electric Utility Director

Attach. (2)

cc: Assist. Electric Utility Director  
Power Engineers

RESOLUTION NO. 90-10

=====

RESOLUTION AWARING THE CONTRACT FOR CONSTRUCTION OF THE  
INDUSTRIAL SUBSTATION PROJECT, 5200 EAST SARGENT ROAD, LODI

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WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on November 21, 1989 at 11:00 a.m. for the contract for construction of the Industrial Substation, 5200 East Sargent Road, described in the specification therefor approved by the City Council on May 17, 1989; and

WHEREAS, said bids have been compared, checked and tabulated as shown an Exhibit A attached hereto; and

WHEREAS, the bid of Kinetic Engineering and Construction, Inc., Loomis, California, thereafter "Kinetic/Chapek", was determined to be responsive and represents the lowest bid rendered; and

WHEREAS, due to the unanticipated difficulty in procuring the Industrial Substation site, commencement of construction is not anticipated until early June 1990; and

WHEREAS, Kinetic/Chapek have executed an agreement to hold their bid price to accommodate a delayed start date; and

WHEREAS, the City Manager, Electric Department staff and Power Engineers, Inc., engineering consultant to the City for this project, recommended that award of the contract for construction of the Industrial Substation, 5200 East Sargent Road, be made to Kinetic/Chapek;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi that award of the contract for construction of the Industrial Substation, 5200 East Sargent Road, be and the same is hereby awarded to Kinetic/Chapek in the amount of \$1,790,514.

Dated: January 17, 1990

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I hereby certify that Resolution No. 90-10 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 17, 1990 by the following vote:

**Resolution No. 90-10**

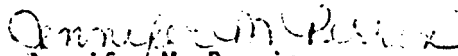
**January 17, 1990**

**Page Two**

**Ayes: Council Members - Hinchman, Olson, Pinkerton, Reid and Snider (Mayor)**

**Noes: Council Members - None**

**Absent: Council Members - None**

  
**Jennifer M. Perrin**  
**Deputy City Clerk**

**for Alice M. Reimche**  
**City Clerk**

RES9010/TXTA.02J

90-10

EXHIBIT A

BID RESULTS

INDUSTRIAL SUBSTATION CONSTRUCTION CONTRACT

EUD 89-18

| <u>Bidder</u>  | <u>Bid Price *</u> |
|--|--------------------|
| (1) Kinetic Eng. & Construction, Inc.<br>3733 Taylor Road<br>Loomis, CA 95650<br>-in joint venture with-<br>Chapek Construction<br>6201C 27th Street<br>Sacramento, CA 95822 | \$1,790,514.00     |
| (2) Anderson & Wood Construction Co.<br>4209 Everett Street<br>P. O. Box 1269<br>Caldwell , ID 83606-1269  | \$1,816,729.19     |
| (3) AMELCO<br>1777 Neptune Drive<br>San Leandro, CA 94080  | \$1,867,868.00     |

\* Includes tax, but not City-furnished material in an amount of \$1,125,281 which amount is included with bid price to establish the contractor bonding amounts.

CITY COUNCIL

JOHN R. (Randy) SNIDER, Mayor  
DAVID M. HINCHMAN  
Mayor Pro Tempore  
EVELYN M. OLSON  
JAMES W. PINKERTON, Jr.  
FRED M. REID

CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
CALL BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 334-5634

TELECOPIER : (209) 333-6795

January 8, 1990

THOMAS A. PETERSON  
City Manager

ALICE M. REIMCHE  
City Clerk

BOB McNATT  
City Attorney

Kinetic/Chapek  
P.O. Box 838  
Loomis, CA 95650

Attention: Mr. Walter Heckert

Subject: Proposed Modification to the Industrial Substation Contract

Dear Mr. Heckert:

Due to the unanticipated difficulty in procuring the Industrial Substation site, the City of Lodi, (COL) **does** not anticipate that construction can commence prior to early June, 1990.

Based on previous contacts, Kinetic/Chapek have indicated that they **are willing** to hold their bid price to accommodate a **Delayed start** date. The following contract document **revisions** are proposed to incorporate the revised construction schedule. Please review these proposed changes and, if agreeable, sign the last page of this **letter** and return it to COL (Attention: Mr. Henry Rice, PE).

**Section 1: NOTICE INVITING BIDS**

**PAGE 1.1**

**Delete first sentence:** ~~An award is anticipated between December 6, 1989 and January 1, 1990, with scheduled completion by June 1, 1990.~~ Owner-furnished material for the project consists of power circuit breakers, station steel structures, disconnect switches, 60kV instrument switchboard, insulators, and surge arresters. The successful contractor-bidder will be required to bond for all equipment and labor (including Owner-furnished equipment) in the erection of the substation.

**Section 2: INFORMATION TO BIDDERS**

**PAGE 2.3**

**2.800 AWARD OF CONTRACT**

**Revision:** The award of contract, if it be awarded, will be to the lowest responsible Bidder whose bid proposal complies with all the requirements described.

Where alternate bids are received, the City Council reserves the right to select the bid most advantageous to the City. The award, if made, will be made within sixty (60) days after the opening of the bids (also see General Provisions, Section 5.509).

2.900 EXECUTION OF CONTRACT

**Revision:** The contract shall be signed by the successful Bidder and returned, ~~together with the contractor's bonds, within ten (10) working days, after the Bidder has received notice that the contract has been awarded.~~ No proposal shall be considered binding upon the City until the execution of the contract.

**Revision:** Failure to 1) execute a contract, and 2) file an acceptable bond as provided herein ~~within ten (10) working days after the bidder has received a Notice to Proceed that the contract has been awarded,~~ shall be just cause for the annulment of the award and the forfeiture of the proposal deposit.

2.1000 CONTRACTOR BONDS

The Contractor shall furnish a good and sufficient faithful **performance** bond in the amount of **100%** of the Contract and a material and payment bond, in the amount equal to **100%** of the Contract amount and the Owner-furnished material.

**Revision:** The bonds ~~will be required within ten (10) working days of receipt of the Notice to Proceed at the time the signed contract is returned to the City.~~

**PRELIMINARY BIDDING AND CONSTRUCTION SCHEDULE**

**PAGE 26**

*Schedule will be revised when construction start date is determined.*

Section 3: BID PROPOSAL

**PAGE 3.21**

**Add:** These prices are valid for a 120 calendar day construction period with the site available prior to June 30, 1990.

**PAGE 3.29**

**Revision:** The undersigned agrees that if this Bid Proposal is accepted, at the time of the receipt of the Notice to Proceed ~~signing of the contract, good and sufficient bonds will be furnished in the amount equal to the amount of this bid.~~

**Revision:** The undersigned further agrees that in case of default in executing the required contract, together with the necessary bonds within ten (10) working days after receiving the Notice to Proceed ~~contract for signature~~, the proceeds of the deposit accompanying the bid shall become the property of the City of Lodi, California, and this Bid Proposal and the acceptance thereof may be considered null and void. However, if the undersigned shall execute the contract and furnish the bond required within the time aforesaid, the deposit shall be returned forthwith.

## **Section 4: CONTRACT AND BONDS**

### **PAGE 4.2**

**Revision:** ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds (performance bond and material and payment bond) ~~bearing even date with these presents and here unto annexed, and~~, Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

### **PAGE 4.4**

**Delete:** ~~ARTICLE VIII: The Contractor agrees to commence work pursuant to this contract within 15 calender days after the Mayor has executed the contract and to diligently prosecute to completion within ninety (90) WORKING DAYS.~~

**Revision:** ARTICLE VIII: The Contractor agrees to commence work pursuant to this contract within 15 calender days after the Mayor has executed the Notice to Proceed and to diligently prosecute to completion within one hundred twenty (120) WORKING DAYS.

**Add new article:** ARTICLE IX: The City and the Contractor mutually agree that if for any reason the Industrial Substation site is not available for construction by June 30, 1990 this Contract is null and void. The City and the Contractor further agree to waive all damage claims against each other if the contract becomes null and void.

### **NOTICE OF AWARD**

You must deliver with the executed Agreement the Contract Security (Bonds) as specified in the Notice and Information and Instructions to Bidders and General Provisions ~~Conditions (paragraph 5.1).~~

## **Section 5: GENERAL PROVISIONS**

### **PAGE 5.17**

**Delete:** ~~5.509 Right of Way: The necessary rights of way and easements for the work will be provided by the City of Lodi. The City will not be liable for any cost incurred by the Contractor due to delay of construction commencement if he City can not obtain the necessary rights of way and (or) easement for a period of ninety (90) days. The Contractor shall make arrangements and pay all expenses for additional area required by Contractor outside of the limits of right of way, unless otherwise provided in the Special Provisions.~~

Kinetic / Chapek  
January 8, 1990  
Page Four

As proposed, the Contract amount (Kinetic / Chapek and the City of Lodi) will be **\$1,790,514.00**. The required bond amount which includes the owner furnished materials is **\$2,915,795.00**. Any procurement activities prior to the Notice to Proceed will be Contractor costs and responsibilities, if the Contract becomes null and void. COL will unload the owner furnished material until a Notice to Proceed is issued.

For any further discussion on these topics please contact me at (209) 333-6769.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry A. Rice". The signature is fluid and cursive, with the first name "Henry" and last name "Rice" clearly distinguishable.

Henry Rice, PE  
Electric Utility Director

HR:eb 178CM



Kinetic/Chapek  
January 8, 1990  
Page Five

Kinetic/Chapek agrees with the proposed contract changes presented in this letter.  
Proceed with the preparation of the "Signature" copies of the Contract Documents.

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

KINETIC ENGINEERING AND CONSTRUCTION, INC.

NAME \_\_\_\_\_

TITLE \_\_\_\_\_ DATE: \_\_\_\_\_

CHAPEK CONSTRUCTION, INC.

Executed copy to follow